



CALIFORNIA FARM BUREAU FEDERATION

NATIONAL AFFAIRS & RESEARCH DIVISION

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November 11, 2003

The Honorable William Thomas
Chairman, House Ways and Means Committee
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Thomas:

On behalf the California Farm Bureau Federation (CFBF), the state's largest general farm organization, I would like to express support for H.R. 2896, the American Jobs Creation Act. This legislation would provide much needed tax relief to farmers and ranchers in addition to fending off threats of retaliation by the European Union on U.S. goods by repealing the FSC/ETI portions of the tax code.

Following a 2002 decision that the U.S. violated international trade rules with tax breaks favoring foreign sales subsidiaries of American manufacturers, the World Trade Organization ruled that the European Union is entitled to impose retaliatory tariffs of up to \$4 billion. Congressional action is necessary for the U.S. to come into compliance with WTO obligations, and CFBF commends your efforts to do so by authoring the American Jobs Creation Act.

Our members will benefit from reduced corporate taxes that will assist agricultural cooperatives and family farming operations as called for by the legislation. Further, H.R. 2896 provides relief to individual farmers by expanding the benefits of the higher limits on small business expensing, extending the replacement period for drought stricken livestock and allowing farmers to take full advantage of income averaging to reduce alternative minimum tax liability.

Thank you for your leadership on this important issue and your continued support of California agriculture.

Sincerely,

A handwritten signature in black ink that reads "Bill Pauli".

BILL PAULI
President

WCP:kjb